

1 **THOMAS M. TARPLEY, JR.**
2 **A Professional Corporation**
3 Bank of Hawaii Building
134 Soledad Avenue, Suite 402
Hagatna, Guam 96910
Telephone: (671) 472-1539
4 Facsimile: (671) 472-4526
Electronic mail: tarpley@guam.net

FILED
DISTRICT COURT OF GUAM

FEB 21 2007

MARY L.M. MORAN
CLERK OF COURT

5 **FORREST BOOTH (Cal. Bar No. 74166) (Admitted pro hac vice)**
6 **RYAN C. DONLON (Cal. Bar No. 229292) (Admitted pro hac vice)**
7 **SEVERSON & WERSON**
A Professional Corporation
One Embarcadero Center, Suite 2600
8 San Francisco, CA 94111
Telephone: (415) 398-3344
9 Facsimile: (415) 956-0439
Electronic mail: fb@severson.com
10 Electronic mail: rcd@severson.com

11 Attorneys for Defendant, Cross-Claimant and
Counterclaimant S.J. GARGRAVE SYNDICATE 2724

12 **IN THE DISTRICT COURT OF GUAM**

13 **TERRITORY OF GUAM**

14 UNITED STATES OF AMERICA,

15 Plaintiff,

16 vs.

17 INCHAPE SHIPPING SERVICES GUAM,
18 LLC,

19 Plaintiff in Intervention,

20 vs.

21 MARWAN SHIPPING & TRADING CO.,
22 FIVE SEAS SHIPPING CO., LLC, and S.J.
GARGRAVE SYNDICATE 2724, *in*
23 *personam*,

24 Defendants.

Civil Case No.: 06-00011

**AFFIDAVIT OF MYLES A. SUNLEY
IN SUPPORT OF S.J. GARGRAVE
SYNDICATE 2724'S MOTION TO
DISMISS CROSSCLAIM OF
MARWAN SHIPPING & TRADING
CO., LLC, AND FIVE SEAS SHIPPING
CO., LLC, OR ALTERNATIVELY TO
STAY THE CROSSCLAIM**

Accompanying Documents: Notice of
Motion and Motion, Memorandum of Points
& Authorities, Table of Foreign Authorities,
Proposed Order

Date: [Fridays]
Time: 9:30 a.m.
Judge: Hon. Frances M. Tydingco-
Gateway

Complaint Date: April 19, 2006
Trial Date: May 12, 2008

25
26
27 AND CROSS-CLAIMS, COUNTERCLAIM,
AND CLAIM IN INTERVENTION

28
ORIGINAL

1 I, Myles A. Sunley, affirm as follows:

2 1. I am a resident and citizen of England. I am authorized to speak on behalf of S.J.
3 GARGRAVE SYNDICATE 2724 ("Gargrave"), an unincorporated association of Underwriters,
4 organized and existing under the laws of the United Kingdom. I have personal knowledge of the
5 matters herein affirmed, and if required to testify thereto, could and would competently do so.

6 2. Gargrave was at all pertinent times in the business of underwriting marine risks.

7 3. Environmental Protection Group LLC ("EPG") is a coverholder with an open
8 cover agreement with Gargrave, meaning that EPG is authorized under certain circumstances to
9 bind Gargrave to financial guarantees that EPG provides on Gargrave's behalf.

10 4. On or about August 19, 2004, EPG received a facsimile from Navigators
11 Management (UK) Ltd. ("Navigators"). The facsimile attached a Guarantee Request form for the
12 M.V. AJMAN 2, and explained that she was on a "delivery voyage" from Mexico to the United
13 Arab Emirates, by way of the Philippines for refueling. It also explained that the M.V. AJMAN 2
14 was registered under the flag of the Democratic People's Republic of Korea, and was attempting
15 to put into Apra Harbor due to bad weather and low fuel reserves. A true and correct copy of the
16 facsimile is attached hereto as **Exhibit A** and incorporated by reference thereas.

17 5. On or about August 19, 2004, EPG agreed, in support of the application of FIVE
18 SEAS SHIPPING CO, LLC ("Five Seas") for certification of financial responsibility for water
19 pollution, to assume financial responsibility of the M.V. AJMAN 2 by way of surety bond
20 guaranty and/or financial guaranty. A true and correct copy of Five Seas' "Application for Vessel
21 Certification of Financial Responsibility (Water Pollution)," U.S. Coast Guard form no. 5585,
22 incorporated in Five Seas' Crossclaim as "Exhibit 2," is attached hereto as **Exhibit B** and
23 incorporated by reference thereas or as "COFR Application."

24 6. Also on or about August 19, 2004, Navigators sent a facsimile to Ropner Insurance
25 Services Ltd ("Ropner"), which is licensed by the Lloyd's market to place insurance. Navigators
26 requested that Ropner arrange for pollution coverage of the M.V. AJMAN 2. A true and correct
27 copy of that facsimile is attached hereto as **Exhibit C**, and incorporated by reference thereas.

28

7. Ropner arranged for Gargrave to underwrite the pollution risk in the way evidenced by the Cover Note attached to Marwan and Five Seas' Crossclaim as "Exhibit 1," and attached hereto as **Exhibit D** and incorporated thereas or as "Cover Note."

I, Myles A. Sunley, affirm and certify under penalty of perjury of the laws of the United States, of the laws of Guam, and of the laws of England, that the foregoing is true and correct on this **13** day of February 2007 at London, England.

By: Myles A. Sunley
Myles A. Sunley

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CERTIFICATE OF SERVICE

I, Dorothea Quichocho, hereby certify pursuant to Rule 5(d) Fed. R. Civ. P. that on February 21, 2007, I caused to be served a true and correct copy of the **AFFIDAVIT OF MYLES A. SUNLEY IN SUPPORT OF S.J. GARGRAVE SYNDICATE 2724'S MOTION TO DISMISS CROSSCLAIM OF MARWAN SHIPPING & TRADING CO., LLC, AND FIVE SEAS SHIPPING CO., LLC, OR ATERNATIVELY TO STAY THE CROSSCLAIM**, to the following:

R. Michael Underhill, Esq.
Attorney in Charge
c/o Mike W. Schwab, Esq.
OFFICE OF THE UNITED STATES ATTORNEY
108 Hernan Cortez Avenue, Suite 500
Hagatna, Guam 96910
Attorneys for Plaintiff and Counterdefendant United States of America

John E.D. Powell, Esq.
c/o Lawrence J. Teker, Esq.
TEKER TORRES & TEKER, P.C.
Suite 2-A, 130 Aspinall Avenue
Hagatna 96910-5018, Guam
Attorneys for Defendants and Cross-Defendants Marwan Shipping & Trading Co. and Five Seas Shipping Co., LLC

David P. Ledger, Esq.
Elyze J. McDonald, Esq.
CARLSMITH BALL LLP
Bank of Hawaii Building
Suite 401
134 West Soledad Avenue
Hagatna, Guam 96910
Attorneys for Intervenor Inchcape Shipping Services Guam LLC

Dated this 21 day of February, 2007.



Dorothea Quichocho

Exhibit A

ORIGINAL 84



Protection & Indemnity
Suite 974, Lloyd's, One Lime Street
London EC3M 7AH
Telephone: 020 7220 6970
Facsimile: 020 7220 6974
www.navpandi.com

To: LARS PERKINS

Company: E P G

Fax No: 001 203 730 8863

From: ANDREW BARKER

Date: 19/8/04

Subject: AJMAN 2 - MARWAN SHIPPING & TRADING

Ref:

Email: abarker@navg.com

Ref:

Pages: 2

Dear Lars

I attach hereto a Guarantee Request form for the above vessel. To give you the background, the owners, Marwan Shipping & Trading, bought the vessel in Mexico recently, and she is on a 'delivery voyage' to UAE. Originally she was destined to call in the Philippines for re-fuelling, but because of bad weather, she has run low on fuel and has to make an emergency call in Guam. The USCG have demanded a COFR, and therefore we would have made a declaration under the OPA cover to Ropners.

I believe that originally the owners contacted SIG Co to arrange a COFR, but we have told the brokers that for us to be involved, we will be working through you. I have suggested to the owners that they promptly contact you to ensure all is in order bearing in mind that there is potential urgency owing to the re-fuelling need. When talking to Ropners [Paul Harcombe], I advised him that the vessel is DPR Korean flag, but that we have a warranty in our agreement with the owners that:

- 1) There are no North Korean Crew;
- 2) There is no North Korean ownership or management;
- 3) The vessel will not trade to North Korea.

We trust that the nationality of the flag will not in practice pose any difficulty with the USCG.

Please do not hesitate to ring me if necessary. +

Best regards


Andrew Barker

INSURING A WORLD IN MOTION

Navigators Protection & Indemnity is a trading division of
Navigators Management (UK) Ltd, Registered in England (Registered No. 3254265)

Guarantee Request Form

Date: 19/8/04

To: EPG (NY)/ Lars Ø Perkins

Fax: 00 1 203 730 8863 EPGViking@aol.com

From: ANDREW BARKER

Assured: MARWAN SHIPPING & TRADING

Name of CoFR Applicant:
(if different from Assured)

Vessel Name: AJMAN 2

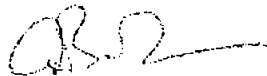
Type: RO RO

GRT: 6461

Cover Attached: 19/8/04

Cover Expires: 19/10/04

Limit: \$5,000,000



SEP&M/Underwriting/Guarantee Request Form.doc

Exhibit B

ORIGINAL

DEPARTMENT OF TRANSPORTATION U.S. COAST GUARD CG-5585		<small>(30 min. per respondent) Approved OMB No. 2118-0546</small>
APPLICATION FOR VESSEL CERTIFICATE OF FINANCIAL RESPONSIBILITY (WATER POLLUTION)		GENERAL (PART 1 OF 4 PARTS)
1. (a) Legal name of applicant (name of responsible operator of all vessels listed in Part II): <div style="font-size: 1.2em; font-family: cursive;">FIVE SEAS SHIPPING CO. LLC</div>		INSTRUCTIONS Please type or print and submit this application to Director, Coast Guard National Pollution Funds Center (cv), 4200 Wilson Boulevard, Suite 1000, Arlington, VA 22203-1804. The application is in four parts: Part I-General; Part II-Evidence of Financial Responsibility; Part III-Declaration; Part IV- Concurrence of Agent. Applicants must answer all applicable questions. If a question does not apply, answer "not applicable." Incomplete applications will be returned. If additional space is required, supplemental sheets may be attached. All information must be provided in the English language.
(b) English equivalent of legal name if customarily written in language other than English:		
(c) Trade name, if any		
2. Is this the first time the above-named applicant is submitting application Form CG-5585? <div style="display: flex; justify-content: space-around;"> YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> </div> <small>If NO, what Coast Guard control number was assigned to the first application Form CG-5585?</small>		
3. State applicant's legal form of organization, i.e., whether operating as an individual, corporation, partnership, association, joint stock company, business trust, or other organized group of persons (whether incorporated or not) or as a receiver, trustee, or other liquidating agent and briefly describe current business activities and length of time engaged therein. <div style="font-size: 1.2em; font-family: cursive; text-align: center;">LIMITED LIABILITY</div>		
(a) If a corporation, association, or other organization, indicate: State in the United States, or foreign country, in which incorporated or organized: <div style="font-size: 1.2em; font-family: cursive; text-align: center;">UNITED ARAB EMIRATES</div>		Date of incorporation or organization: <div style="font-size: 1.2em; font-family: cursive; text-align: center;">07/17/2000</div>
(b) If a partnership, provide name and address of each partner.		
4. Name and address of applicant's United States agent or other person authorized by applicant to accept service of process and receipt of notices of designations and presentations of claims in the United States (collectively referred to as "service of process"). (See Part IV) (U.S. applicants may appoint themselves as agent, eliminating the need to complete Part IV.) <div style="font-size: 1.2em; font-family: cursive;"> EP9, LLC 36 MILL PLAIN ROAD SUITE 410, DANBURY CT 06811 </div>		

PREVIOUS EDITION IS OBSOLETE

EVIDENCE OF FINANCIAL RESPONSIBILITY (PART II OF 4 PARTS)

3. List all vessels which require Certificates of Financial Responsibility under 33 CFR 138.12. In column (f) indicate the number "1" if the operator is also the registered owner. Indicate "2" in column (f) if the operator is not the registered owner.

NAME OF VESSEL (a)	TYPE OF VESSEL (See note below) (b)	COUNTRY OF REGISTRY (c)	US VESSELS: Documentation Number FOREIGN VESSELS: International Maritime Organization (IMO) Number or Country of Registration Number if no IMO number has been assigned. (d)	GROSS TONS (e)	"1" OR "2" (f)
M.V. AJMAN 2 EX LORETO	RoRo	KOREA	IMO-7501302	6461	2

NOTE: Please designate the type of vessel by using a number from one of the following categories:

CARGO VESSELS, SELF-PROPELLED

- Breakbulk freighter 10
- Container ship 11
- Roll on-roll off 12
- Barge carrier (e.g., tank, seabeam) 13
- Combination breakbulk container ship 14
- Combination roll on-roll off container ship 15
- Combination barge carrier container ship 16
- Tanker 17
- Dry bulk carrier 18
- All other self-propelled cargo vessels 19
- Offshore carrier (OBO) 20

PASSENGER VESSELS

- Passenger vessel 30
- Combination passenger/cargo vessel 31
- Ferry 32

RECREATIONAL VESSELS

- All types of pleasure craft 40

UTILITY CRAFT

- Tank barge 80
- Tug and towboat 51
- Barge and scow 52
- Drilling rig 53
- Fishing vessel 54
- Factory vessel 55
- Research vessel 56
- All other utility craft 57

MISCELLANEOUS

- Vessels not otherwise specified 60

- * Containership categories should be assigned only to vessels having fixed container cells or regularly carrying multi-tier container deckloads.
- ** Passenger categories should be assigned only to vessels carrying more than 12 passengers for hire.
- *** Includes floating cranes, dredges, docks, etc.

5. (a) If applicant indicated "2" for any vessel listed above in column (f), please indicate:

NAME OF VESSEL	OWNER	OWNER'S MAILING ADDRESS
M.V. AJMAN 2	MARWAN SHIPPING & TRADING FREE ZONE, AJMAN U.A.E.	KHANSABER BUILDING FLAT 1-F CORNICHE STREET OLD IRANIAN MARKET SHARJAH UAE P.O. BOX 20499.

PART II (CONT'D)

6. Items 7 through 11 are methods of establishing financial responsibility. Check the appropriate box(es) below and answer only the item(s) which are applicable to this application:

Insurance (Answer Item 7)	Surety Bond (Answer Item 8)	Financial Guaranty (Answer Item 9) <input checked="" type="checkbox"/>	Self-Insurance (Answer Item 10)	Other Services (Answer Item 11)
------------------------------	--------------------------------	---	------------------------------------	------------------------------------

7. Name and address of applicant's insurance guarantor (evidence of insurance acceptable to the Director, Coast Guard National Pollution Funds Center on Insurance Guaranty Form CG-5588 or Master Insurance Guaranty Form CG-5588-1, must be filed before a Certificate will be issued):

8. Total amount of surety bond guaranty:

\$ 5,000,000

Name and address of applicant's surety bond guarantor (Surety Bond Guaranty Form CG-5586-2 must be filed before a Certificate will be issued):

9. Name and address of applicant's financial guarantor (Financial Guaranty Form CG-5585-3, or Master Financial Guaranty Form CG-5585-4 and all required financial data must be filed before a Certificate will be issued):

EPG, LLC
36 MILL PLAIN ROAD
SUITE 410
DANBURY
CT 06811

203-730 8833
(GAIL REED)

Financial Guarantor's fiscal year:

AUGUST 1ST to JULY 31ST
(Month) (Day) (Month) (Day)

10. If applicant intends to qualify as a self-insurer attach all required financial data and indicate fiscal year.

(Month) (Day) to (Month) (Day)

11. If applicant intends to qualify through other evidence, supply all information required by 33 CFR 138.00(b)(5).

DECLARATION (PART III OF 4 PARTS)

12. Applicant's mailing address (street, number, post office box, city, state or country. Indicate ZIP code if in the United States):

KHANSABEB BUILDING
(P.O. BOX 20499)
FLAT 1 F
CORNICHE STREET
OLD IRANIAN MARKET
SHARJAH UAE

14. Type or print in this space the name and title of the official who is signing the application:

GEORGEY WOODCOCK

15. Address of principal office in the United States (if any):

13. Telex number and/or telex number and answer back:

00-971-6-7471708

16. Telephone no. (area code and number):

00-971-6-7471707

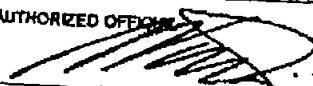
I declare that I have examined this application, including any accompanying schedules and statements, and, to the best of my knowledge and belief, it is true, correct, and complete. Furthermore, the applicant named in item 1(a) of Part I above is the responsible operator of all vessels now listed in or later added to this application. I agree that in the event the agent designated in item 4 of Part I above, or that agent's replacement as may be designated later with the approval of the Director, Coast Guard National Pollution Funds Center, cannot be served due to death, disability, unavailability, or similar event, the Director, Coast Guard National Pollution Funds Center, is considered the agent for service of process. I have signed this application in my capacity as an authorized official of the applicant, or, if acting under a power of attorney, pursuant to the power vested to me by the applicant as evidenced by the attached power of attorney.

IMPORTANT

DATE

AUGUST 19TH
2004

SIGNATURE OF AUTHORIZED OFFICIAL



NOTE Please be sure that Parts I, II, and III have been completed in full and that Part III has been dated and signed. Then proceed to Part IV, attached.
NO CERTIFICATE WILL BE ISSUED UNLESS A COMPLETED APPLICATION FORM HAS BEEN RECEIVED, PROCESSED AND APPROVED.

COMMENTS

Any person who knowingly and willfully makes a false statement in this application is subject to the sanctions prescribed in 18 U.S.C. 1001

CONCURRENCE OF AGENT (PART IV OF 4 PARTS)

PART IV-A must be completed by the person designated in Item 4 of Part I to serve as applicant's United States agent for service of process. Part IV-B must be completed by the applicant. After Parts IV-A and IV-B are completed, Part IV should be submitted to the Director, Coast Guard National Pollution Funds Center, by the applicant or by the agent, either separately or together with Parts I, II, and III. (Part IV need not be completed if the agent designated in Item IV of Part I already has submitted to the U.S. Coast Guard an acceptable blanket Concurrence of Agent, agreeing to serve on behalf of certain applicants who designate that agent. Part IV also need not be completed if the applicant is a United States entity and has appointed itself as agent in Item 4 of Part I.)

PART IV-A

It is hereby agreed that

EPG, LLC

shall serve as the applicant's United States agent for service of process for purposes of 33 CFR part 138. This designation and agreement shall cease immediately in the event the applicant designates a new agent acceptable to the Director, National Pollution Funds Center.

Date: August 19TH 2004

Signature of person signing on behalf of agent:

Title:

Business address:

PART IV-B (TO BE COMPLETED BY APPLICANT)

Name of applicant (from Item 1(a)): FIVE SEAS SHIPPING CO. LLC

Signature of authorized official signing on behalf of applicant

(Person signing here should also sign in appropriate place on Part III)

Date: August 19TH 2004

Type or Print Name and Title: GEOFFREY WOODCOCK.

Exhibit C

ORIGINAL



Protection & Indemnity

Suite 974 Lloyd's, One Lime Street
London EC3M 7AH
Telephone: 020 7220 6970
Facsimile: 020 7220 6974
www.navpandil.com

To: PAUL HARCOMBE
Company: ROPNERS Ref:
Fax No: 0207 481 0830 Email: abarker@navo.com
From: ANDREW BARKER Ref:
Date: 19/8/04 Pages: 2
Subject: AJMAN 2 - MARWAN SHIPPING & TRADING

Dear Paul

I refer to our conversation of earlier today in respect of the above vessel. To recap, The owners, Marwan Shipping & Trading, bought the vessel in Mexico recently, and she is on a 'delivery voyage' to UAE. Originally she was destined to call in the Philippines for re-fuelling, but because of bad weather, she has run low on fuel and has to make an emergency call in Guam. The USCG have demanded a COFR, and therefore we would like to make a declaration under the cover accordingly. I attach a copy of the Guarantee Request Form that I have sent to EPG which sets out all relevant details.

We have not yet received your details of the cover note for the 12 months from 1/8/04 and therefore I do not have an up-date on our standard form for declarations to you, so I hope that the attached will suffice.

Bearing in mind the tonnage of 6461 GT, I believe it necessary to apply a Limit of Liability of \$5m and for a period of not exceeding 60 days, therefore believe the premium should be $\$2,100 + 65\% = \3465 less brokerage of 25% = net \$2598.75. Please confirm your/ underwriters' agreement, and many thanks for your assistance.

Best regards

Andrew Barker

OK - 11/8/04
JG

INSURING A WORLD IN MOTION

Navigators Protection & Indemnity is a trading division of
Navigators Management Co. Limited. Registered in England (Registered No. 02517681)

Guarantee Request Form

Date: 19/8/04

To: EPG (NY)/ Lars Ø Perkins

Fax: 00 1 203 730 8863 L.P.A. King @ aol.com

From: ANDREW BARKER

Assured: MARWAN SHIPPING & TRADING

Name of CoFR Applicant:
(if different from Assured)

Vessel Name: AJMAN 2

Type: RO RO

GRT: 6461

Cover Attached: 19/8/04

Cover Expires: 19/10/04

Limit: \$5,000,000

(Signature)

S.P.A. Underwriting Guarantee Request Form due

Exhibit D

ORIGINAL

ROPNER INSURANCE SERVICES LIMITED



LLOYD'S INSURANCE & REINSURANCE BROKERS

BOUNDARY HOUSE 7-17 JEWRY STREET LONDON EC3N 2HP

Telephone: 44 (0) 20 7486 4333

Facsimile No: 44 (0) 20 7481 0830

E-Mail: ropner@ropnerins.co.uk

Ropner Insurance Services Limited (A Member of the General Insurance Standards Council)

COVER NOTE

Navigators Protection & Indemnity
Suite 974
Lloyd's
One Lime Street
London
EC3M 7AH
UNITED KINGDOM

Policy No 04HV123X0005
Date 24/09/2004
Your Ref

IN ACCORDANCE WITH YOUR INSTRUCTIONS WE HAVE EFFECTED INSURANCE
AS FOLLOWS:

FORM	J(A).
TYPE	MARINE OIL POLLUTION INSURANCE.
ASSURED	Marwan Shipping and Trading Co LLC and/or Associated and/or Affiliated and/or Subsidiary Companies as their interests may appear.
VESSEL(S)	"Ajman 2" Built: 1977 6,461 G.T
PERIOD	19th August, 2004 to 28th September, 2004 Local Standard Time. Policy effected for 60 days from 19th August, 2004. Underwriters gave 30 days notice of cancellation from 27th August, 2004.
INTEREST	United States Oil Pollution Liability.
LIMIT OF LIABILITY	USD3,876,600 any one accident or occurrence, each vessel, but in the event of two claims (one OPA & one CERCLA) result out of one occurrence, each claim is treated as a separate incident. Separate limits to apply.

Registered Office as above
Registered in England No.128838

Page 1 of 5 - Cover Note for - 04HV123X0005

CONDITIONS

As per London Vessel Pollution Insurance Policy LSW1220 (03/99) with Endorsement 1 (LSW 1220A)(03/99), Endorsement 2 (LSW 1220B)(03/99) and Endorsement 3 (LSW 1220 C)(03/99), as applicable.



Notwithstanding any other provision of this Insurance Policy, including the disclaimer set forth in the first paragraph of this Insurance Policy, the Underwriters will, at the request of the Assured, furnish an Insurance Guaranty Form (Form CG-5586) for filing with the United States Coast Guard with respect to the vessel(s) named in Item 10 of the Declarations and in the following amount(s) depending on the type and size of the vessel(s): (1) the greater of \$2,000,000 or \$1,200 per gross ton for a tank vessel of over 300 gross tons but not exceeding 3,000 gross tons (as defined by 33 CFR 138.80 (f)(1) (A)); (2) the greater of \$10,000,000 or \$1,200 per gross ton for a tank vessel of over 3000 gross tons (as defined by 33 CFR 138.80 (f)(1)(B)) or (3) the greater of \$500,000 or \$600 per gross ton for a vessel other than a tank vessel (as defined by 33 CFR 138.80 (f)(1)(B)); provided, however, that the aggregate liability of the Underwriters under this Insurance Policy and under any such Insurance Guaranty Form issued to the United States Coast Guard with respect to any one incident shall in no event exceed the Limit of Liability set forth in Item 2 of the declarations, including the cost of any investigation and defence, including taxable disbursements, incurred with the prior consent of the Underwriters pursuant to this Insurance Policy.

NO OTHER GUARANTY FORM, CERTIFICATE OR EVIDENCE OF FINANCIAL RESPONSIBILITY SHALL BE PROVIDED BY THE UNDERWRITERS OR ON BEHALF OF UNDERWRITERS WITHOUT FURTHER EXPRESS AND SPECIFIC ENDORSEMENT OF THIS INSURANCE POLICY BY THE UNDERWRITERS.

In the event that a judgement is obtained against the Assured, which is otherwise insured against under this Insurance Policy, the Underwriters shall not be required to indemnify the Assured (or to satisfy a judgement against the Underwriters obtained under any so called direct action statute or right otherwise insured against under this Insurance) until such time as the Underwriters, in their sole and absolute discretion, are satisfied that they will not be required to respond for the Limit of Liability with respect to any judgement obtained pursuant to the Insurance Guaranty Form described in paragraph 2 above.

Notwithstanding the terms and conditions of Certificate of Insurance Form CG-5586 and of this provision, all terms, conditions and limitations in the Insurance Policy remain in full force and effect as binding between the Assured and the Underwriters, and the Assured agrees to reimburse the Underwriters for any payment made by the Underwriters on account of any incident, claim or suit involving a breach of the terms of this Insurance Policy, and for any payment that the Underwriters would not have been obligated to make under

Registered Office as above
Registered in England No.122830

Page 2 of 5 - Cover Note for - (MHV123X000)



the Insurance Policy except for the agreement contained in this provision, including any payment made which would not have exceeded the amount set forth in Item 3 of the Declarations.

Cancellation Clause (836ROP00182) in respect of individual declarations.

Service of Suit Clause (CL 355)

Several Liability Notice (LSW1001)

Institute Radioactive Contamination, Chemical, Biological, Bio - Chemical, Electromagnetic Weapons Exclusion Clause CL 370 (10/11/03)

Institute Cyber Attack Exclusion Clause CL 380 (10/11/03)

CLAIMS NOTIFICATION CLAUSE

Upon discovery of any pollution incident likely to result in a claim hereunder notice must immediately be given by either the broker or the Assured to

Environmental Pollution Group, LLC
36 Mill Plain Road,
Suite 410,
Danbury
CT 06811

Telephone: 203-730-8833
Fax: 203-730-8863

INSURERS

This insurance is placed with LLOYD'S UNDERWRITERS.

Each Underwriting Member being liable only for his own share of this insurance. The total percentage undertaken by the Lloyd's Underwriters subscribing to this policy is 100%.

This Policy may be cancelled by the Underwriter or the Assured upon thirty (30) days written or telegraphic notice. The Underwriters may send notice to the broker of record at the time.

Underwriters hereon agree to allow Environmental Pollution Group, Inc. authority to issue Coast Guard Certificates, providing the appropriate premium has been paid.

If this insurance is not renewed within thirty (30) days prior to expiration and Form CG-5358-9 has been filed with the U.S. Coast Guard, Underwriters will give such prior notice to the U.S. Coast Guard to cancel Form CG-5358-9 in compliance with their requirements.

Wherever the words "policy" or "policies" appear herein, the same shall be amended to read "certificate" or "certificates".

Registered Office as above
Registered in England No.128838

Page 3 of 3 - Cover Note for - 04HV123X0008



PLEASE EXAMINE THIS DOCUMENT VERY CAREFULLY. THIS IS A NEW POLICY WORDING AND THERE ARE TERMS AND CONDITIONS WHICH MUST BE COMPLIED WITH BY THE ASSURED IN ORDER TO ENSURE COVERAGE. IF YOU REQUIRE ANY CORRECTIONS PLEASE NOTIFY US IMMEDIATELY.

Any material alteration in the facts last disclosed in connection with this insurance which could affect insurer's views about the coverage given or premium charged must be advised to us to pass on to the insured or the insurance could be voided by reason of non-disclosure.

**CHOICE OF LAW
& JURISDICTION**

This insurance shall be governed by and construed in accordance with the laws of England and the exclusive jurisdiction of the English courts. The seat of arbitration shall be London

PREMIUM

USD 3,465 in full.

Mr Geoff Woodcock
Crestmar Insurance Brokers
Crown Lodge
Crown Lane
Morden
Surrey
SM4 6BY

Facsimile: 020 7220 6974
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**OIL POLLUTION ACT 90
DEBIT NOTE**

Debit Note Number: OPA008 Date: 24th August 2004

Assured: Marwan Shipping & Trading

Vessel(s): 'AJMAN 2'

Our Risk Reference: LN04PNIOPA008 Your Risk Reference:

Currency: USD Limit of Liability: USD 1,000,000

Risk Period: 18th August 2004 to 18th October 2004

Gross Premium	Brokerage	Net Premium	Overdue Date
USD 3,465.00	10%	USD 3,118.50	18/10/04

Please make cheques payable to Navigators Management (UK) Ltd or alternatively by TT quoting the above Risk Reference to the account detailed below:-

Barclays Bank Plc	Account Number: 43182577
P O Box 544	Sort Code: 20-00-00
54 Lombard Street	Swift Code: barcgb22
London	
EC3V 9EX	